

POTENTIAL IMPACT OF COVID-19 OUTBREAK ON THE GROUP

Further to the announcement made on 7 April 2020, the Board of Directors ("**Board**") of Starland Holdings Limited ("**Company**") and together with its subsidiaries, the "**Group**") wishes to update the shareholders on the potential impact of COVID-19 outbreak on the Group.

The COVID-19 outbreak was declared a pandemic by the World Health Organisation ("**WHO**") in March 2020. The outbreak continues to spread throughout China, Malaysia and Singapore, which are the Group's main geographical areas of operation. The Chinese authorities had lockdown China from late January 2020 and reopen in April 2020. Property sales and rental income in Fuling Chongqing, People's Republic of China, had been negatively impacted during the lockdown period. Since the re-opening of China in April 2020, property sales have been slow.

The Malaysian government implemented a movement control order ("**MCO**") on 18 March 2020 as a result of COVID-19. Malaysia has relaxed its MCO regulations and implemented a conditional MCO on 4 May 2020, with the effective end date extended to 9 June 2020. The MCO measures had negatively impacted the revenue of our newly acquired financial solution business in Malaysia. Financial solution business is a customized business where face-to-face discussion with business partners, government agencies, customers and potential customers are required. As at the date of this announcement, some of the business partners, government agencies, customers and potential customers are still not fully operational.

The Singapore government has also implemented Circuit Breaker on 8 April 2020 and this has been extended to 1 June 2020.

The scale and duration of these developments remain uncertain as at the date of this announcement. The impact of COVID-19 on the Group's operations, and therefore on its results for the year ending 31 December 2020, is not yet reasonably quantifiable as it is uncertain when business operations may recommence in jurisdictions where restrictions have forced operations to cease or otherwise return to normal operations similar to those prior to the declaration of the pandemic by the WHO.

However, the Board believes it will be able to withstand the effects of COVID-19 both financially and operationally for the foreseeable future. As announced on 7 April 2020, the Board and the senior management of the Group, had agreed to take a voluntary 10% reduction in directors' fees and management salaries commencing from 1 April 2020. Further, the Group had a total cash and bank balances of RMB125 million and no bank loans and borrowings as at 31 December 2019.

BY ORDER OF THE BOARD

Peng Peck Yen
Executive Director
21 May 2020

*This announcement has been prepared by Starland Holdings Limited (the "**Company**") and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited. (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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